

USAID Agreement No. 391-PEPA-11-7

AMENDMENT NUMBER SEVEN
TO THE
PAKISTAN ENHANCED PARTNERSHIP AGREEMENT
BETWEEN THE
UNITED STATES OF AMERICA
AND THE
ISLAMIC REPUBLIC OF PAKISTAN

July 19, 2012

FISCAL DATA (Amount in USD)

Obligation Number	PA	PE	ES - 11/12
391-PEPA-11-ENR-7	A17 A069		257,451,640.00
391-PEPA-11-CC-7	A26 A140		6,991,870.00
	A27 A141		16,126,535.00
TOTALS			<u>280,570,045.00</u>

FUNDS AVAILABLE	
Doc No:	<u>ES 1112</u>
Fund/BFY:	<u>ES 1112</u>
EOCC:	
PA/PE:	<u>CO-CT</u>
Amount:	<u>\$ 280,570,045.00</u>
Posted by:	<u>TAC</u>
Cleared by:	<u>SA</u>
Date:	<u>7-19-12</u>
Date:	<u>7-19-12</u>

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July 19, 2012

**AMENDMENT NUMBER SEVEN TO THE
PAKISTAN ENHANCED PARTNERSHIP AGREEMENT**

This is Amendment Number Seven (this "Amendment") to the Pakistan Enhanced Partnership Agreement between the United States of America, acting through the United States Agency for International Development (USAID) and the Islamic Republic of Pakistan, acting through the Economic Affairs Division (EAD) of the Ministry of Economic Affairs and Statistics ("Grantee" and together with USAID, the "Parties"), dated September 30, 2010 (as amended, the "Agreement").

WHEREAS, the Parties entered into Amendment Number One to the Agreement on December 23, 2010 to incrementally obligate an additional amount of U.S. **\$194,000,000**;

WHEREAS, the Parties entered into Amendment Number Two to the Agreement on January 6, 2011 to modify the requirements for financial tracking of non-cash transfer funding arrangements;

WHEREAS, the Parties entered into Amendment Number Three to the Agreement on September 28, 2011 to incrementally obligate an additional amount of U.S. **\$14,122,795**;

WHEREAS, USAID's Office of Transition Initiatives (OTI) obligated **\$10,000,000** in Washington, DC to support their activities in the FATA;

WHEREAS, the Parties entered into Amendment Number Four to the Activity Agreement on December 2, 2011 to incrementally obligate an additional amount of U.S. **\$161,749,472**;

WHEREAS, the Parties entered into Amendment Number Five to the Activity Agreement on March 28, 2012 to incrementally obligate an additional amount of U.S. **\$187,433,302**;

WHEREAS, the Parties entered into Amendment Number Six to the Activity Agreement on June 27, 2012 to incrementally obligate an additional amount of U.S. **\$189,548,844**; and

WHEREAS, the Parties desire to make Amendment Number Seven to the Activity Agreement to incrementally obligate an additional amount of U.S. **\$280,570,045**, for the purposes set forth in Attachment B and introduce other changes as specified below.

NOW, THEREFORE, the Agreement is amended as follows:

1. Section 3.1(a) of the Agreement is hereby deleted in its entirety and replaced by the following:

(a) **The Grant:** To help achieve the objective set forth in this Agreement, USAID, pursuant to the Foreign Assistance Act of 1961, as amended, hereby grants to the Grantee under the terms of the Agreement an amount not to exceed One Billion

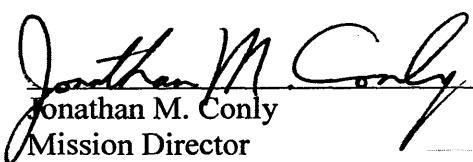
Eight Hundred Fifty Eight Million Seven Hundred Fifty Nine Thousand Four
Hundred and Fifty Eight United States dollars (U.S. **\$1,858,759,458**) (the "Grant").

2. The summary table on page 1 of Annex 1 of the Agreement is hereby deleted in its entirety and replaced by the table in Attachment A of this Amendment.
3. Table 1-B of Annex 1-C3 of the Agreement is hereby deleted in its entirety and replaced by the table in Attachment C of this Amendment.
4. Within thirty days (30) of signing this Amendment, USAID will submit revised Amplified Descriptions of activities in accordance with Section 2.2 of the Agreement.
5. Except as amended hereby, all other terms, conditions and provisions of the Agreement remain in full force and effect in accordance with all of its terms.

[signature page follows]

IN WITNESS WHEREOF, the United States of America and the Islamic Republic of Pakistan, each acting through its duly authorized representative, have caused this Amendment to be signed in their names and delivered as of the day and year first above written.

UNITED STATES OF AMERICA

By: 
Name: Jonathan M. Conly
Title: Mission Director

ISLAMIC REPUBLIC OF PAKISTAN

By: 
Name: Javed Iqbal
Title: Secretary, Economic Affairs Division

(JAVED IQBAL)
Secretary
Economic Affairs Division
Government of Pakistan
Islamabad.

Attachments:

- A Summary Table on page 1 of Annex 1
- B Overview of the Use of Obligated FY 2011 Funds – Amendment 7
- C Table 1-B of Annex 1-C3

Attachment A
Summary Table on page 1 of Annex 1

Amplified Description Name	2010	2011		Total (FY 2010- 2011)	* Obligated in Washington to Support PEPA Activities (FY2011)
		Previous	This Amendment (Amendment 7)		
Democracy & Governance	74,978,839	25,626,590	-	25,626,590	100,605,429
Health	143,818,774	95,581,944	-	95,581,944	239,400,718
Education	159,621,237	116,711,036	-	116,711,036	276,332,273
Economic Opportunity	61,477,751	29,728,708	-	29,728,708	91,206,459
Agriculture	50,775,676	97,798,340	-	97,798,340	148,574,016
Energy	58,325,000	-	280,570,045	280,570,045	338,895,045
Stabilization & Countering Violent Extremism **	300,460,518	173,285,000	-	173,285,000	473,745,518
FATA	209,960,518	171,785,000	-	171,785,000	381,745,518
KP	90,500,000	1,500,000	-	1,500,000	92,000,000
Social and Humanitarian Assistance	190,000,000	-	-	-	190,000,000
		1,039,457,795	538,731,618	280,570,045	819,301,663
					1,858,759,458
					10,000,000

(*) These Funds, as part of the funds appropriated by Congress for USAID/Pakistan, were obligated in Washington, DC by USAID's Office of Transition Initiatives (OTI) for use to support the Pakistan Transition Initiative Project.

(**) Stabilization & Countering Violent Extremism represents the total of FATA and KP.

Attachment B
Overview of the Use of Obligated FY 2011 Funds –
Amendment 7

Energy

USAID will continue its support to the Energy Sector through infrastructure. With FY 2011 funding, USAID proposes to fund two new projects, based on extensive review and analysis of options for energy sector investments.

First, funds will be obligated to rehabilitate and expand power output from existing hydroelectric generation facilities located at the Mangla Dam on the Jhelum River in Azad Jammu and Kashmir. USAID will provide funding to enable WAPDA to replace six 100 MW turbines with six 135-MW turbines. This will result in a generation capacity increase of 210 new MW and the continued reliable operation of 600 MW providing power to the national grid (the six turbines are currently not providing reliable power because of breakdowns due to age).

Second, USAID will review all designs, plans and analyses of the Kurram Tangi Dam project, a new multipurpose dam proposed at a site in the North Waziristan Agency of the Federally Administered Tribal Areas (FATA), and work with the GOP to help the strategically-important project move forward. U.S. assistance will specifically help fund the necessary due diligence assessments required to provide a basis for a USG decision to execute formal financing of this project and to complete pre-construction projects necessary for eventual construction of the dam, managed by the Water and Power Development Authority. U.S. funding will help catalyze support from other multilateral and bilateral donors.

To complement long-term USG investments in energy generation infrastructure, FY2011 funds will provide US technical and capacity building assistance through the Power Distribution Program and Energy Policy Project to support management improvements for power generating, transmission and distribution companies that will lead to full cost recovery of the entire energy sector.

Through the Power Distribution Program, USAID will continue ongoing power sector technical assistance and technology upgrade projects with the power distribution companies. These activities will include provision of technical assistance and advisors to the power distribution companies and the Ministry of Water and Power – to determine how to reduce losses and increase revenue. Improved billing practices plus equipment upgrades will help increase revenue collection. Modern equipment will be installed to increase energy efficiencies, and to reduce losses.

Through the Energy Policy Project, FY2011 funds will provide assistance to selected GOP institutions to enact regulatory reforms; improve governance within the sector; reduce subsidies; and analyze barriers to reforms and develop measures to overcome such barriers. USAID will also fund technical advisors to the power generating and transmission companies, the Ministry of Water and Power, the Ministry of Finance, and the Ministry of Petroleum and Natural Resources (which oversees the development and provision of fuel resources to the power sector) to help implement energy sector reforms. FY2011 funds will also provide continuing engineering

monitoring and support services to validate and certify GOP completion of milestones under USG/GOP agreements to support major infrastructure projects funded in prior years.

Indicator used to measure results:

- Megawatts of energy added or saved as a result of US Government (USG) – supported construction and rehabilitation efforts.
- Number of beneficiaries with increased access to modern energy services as a result of USG Assistance

Attachment C
Table 1-B of Annex 1-C3

Fiscal Year 2010-2011
 Budgeted Costs for the
 Programmatic Components of the
 Department of Energy's
 Energy Efficiency and Renewable Energy
 Program

Economic Growth						
Infrastructure (Energy)						
Modern Energy Services	54,746,413	-	-	-	257,451,640	312,198,053
Program Development & Administrative Costs						
Direct Program Support - Program Design & Learning (PD&L)	400,000	-	-	-	-	400,000
Direct Program Support - Administration & Oversight (A&O)	700,000	-	-	-	-	700,000
Indirect Program Support - Program Design & Learning (PD&L)	500,000	-	-	-	6,991,870	7,491,870
Indirect Program Support - Administration & Oversight (A&O)	1,978,587	-	-	-	16,126,535	18,105,122
TOTAL	58,325,000				280,570,045	338,895,045

CERTIFICATION OF TRUE COPY

VENUE

Islamic Republic of Pakistan

(Country)

City of Islamabad

(State, Province, etc.)

Embassy of the

(City)

United States of America

(Name of Consular Post)

I certify that the annexed document is a true and faithful copy of the original, and that it has been carefully examined by me, compared with the said original, and found to agree with it word for word and figure for figure.



(Signature of Consular Officer)

Thomas Scott Brown

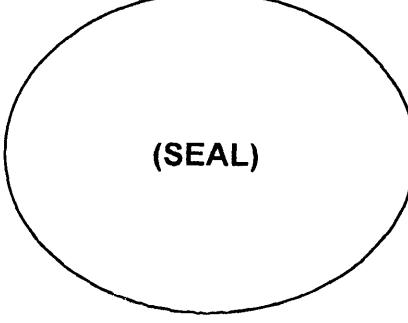
(Typed Name of Consular Officer)

Consul

(Title of Consular Officer)

09-11-2012

Date (mm-dd-yyyy)



(SEAL)